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SUBJECT: SOUTH AFRICA: MAY 2009 LABOR NOTES

Summary  
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¶1. This is the May, 2009 issue of U.S. Consulate Johannesburg's Regional Labor Office monthly notes. Topics in this issue are as follows:

- Legal work for Zimbabwean migrants?
- COSATU unsuccessful in its bid to halt the sale of Vodacom shares
- COSATU May Day rallies
- Union ends successful trucking strike
- Strike in the public sector comes to an end with physicians still dissatisfied
- Public servants call for a better pay
- Mineworkers demand a 15% pay increase
- NUM threatens to strike over the liquidation of Pamodzi Gold
- COSATU calls for government to act urgently in addressing job losses
- Recession hampers skills training
- Aviation faces critical skills shortage
- Metro Bus Strike continues

End summary.

Legal work for Zimbabwean migrants?  
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¶2. The South African Government announced that it plans a temporary visa waiver and permit policy for Zimbabweans to enter and/or remain in South Africa that addresses Zimbabweans' mainly economic motivations for migration. South African officials countered media speculation that the permit would flame xenophobic sentiment by noting that employers will be more likely to hire legally documented individuals rather than hiring individuals off the books. Formal processes are expected to follow strict South African labor laws and wage regulations. NGOs have urged South Africa to quickly articulate the details of the proposed policy and to widely publicize it to employers, migrants, and the general public, to encourage a smooth transition and avoid xenophobic retaliation.  
Source: Business Day - May 5, 2009

COSATU unsuccessful to halt the sale of Vodacom shares  
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¶3. A South African court has dismissed an attempt by COSATU to stop UK-based Vodafone's planned \$2.6 billion purchase of a 15 percent stake in Vodacom from state owned Telkom. The court ruled that Telkom has the right to sell its 50% stake in Vodacom --- South Africa's most successful mobile phone provider. COSATU had applied for an interdict to prevent the sale alleging that Telkom failed to 'properly consult unions' about the merger and possible job losses. The case sets an important legal precedent in favor of the business community as it was one of the first times that South African courts ruled on the rights of non-shareholders and unions to be consulted during merger discussions. COSATU continues to raise concern that cellular phone service is a national asset that should be under South African government control.

Source: Business Report - April 21, 2009; Engineering News - April 30, 2009; Reuters - April 30, 2009

#### COSATU May Day rallies

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¶4. The Congress of South African Trade Unions (COSATU) marked 'Workers Day' with 36 rallies around the country. COSATU President Sidumo Dlamini, ANC president Jacob Zuma, COSATU General Secretary Zwelinzima Vavi, and South African Communist Party General Secretary Blade Nzimande addressed 20,000 supporters gathered at the national rally held in the Eastern Cape. Vavi stated that 'COSATU played a prominent role in the ANC's victory and now COSATU is mobilizing for our own interests.' COSATU expected 'fresh blood, unity, continuity and loyalty to the Polokwane [ANC conference held in December 2007] resolutions.' Vavi went on to say that COSATU was pleased with the consultation process with the ANC on the formation of the new government and that trade union federations were going to 'reap the benefits.' Zuma's speech suggested that the ANC would look at ways to further regulate the labor market but did not agree to COSATU demands to outlaw temporary and contract work.

Source: Mail and Guardian - April 29, 2009; Sunday Times - May 3, 2009

#### Union ends successful trucking strike

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¶5. A contentious nine day strike in the trucking sector ended on April 16 with a settlement between The South African Transport and Allied Workers Union (SATAWU) and the Road Freight Industry Employers Association (RFA). COSATU affiliate SATAWU was pleased that employers raised minimum wages for truck drivers by thirty seven percent with long distance drivers now guaranteed a minimum of 6000 Rand per month (approx \$722). All drivers making above minimum wage are guaranteed an 11% salary increase implemented over two years. The settlement also included a provision for employees to receive thirty-three percent of their basic salary during maternity leave. SATAWU told the media that the sticking point in the strike had been SATAWU's (successful) demands to extend the agreement beyond truck drivers to all workers employed in operations, warehousing, fleet maintenance, and administration. The media gave SATAWU credit for receiving a healthy settlement given that non-COSATU unions did not join in the strike and kept the country from experiencing a large - scale shortage of goods.

Source: Sowetan - April 16, 2009

#### Public health physicians still dissatisfied

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¶6. A two week strike by doctors in the troubled public health system ended on April 20 without resolution. Doctor's had gone on strike to protest low pay, staff shortages, mismanagement, and overcrowding in South Africa's public health facilities. The South African Medical Association (SAMA), representing public practitioners, told the media that conditions in public hospitals had created 'reverse demand and supply.' SAMA said that 35% of doctors in the country serve 70% of the population because most physicians prefer private practice. SAMA urged the Department of Health to focus on retention of skilled staff. The South African Department of Health criticized SAMA actions as premature and offered a five percent wage increase. SAMA rejected the five percent increase, reiterated its demands for a fifty percent salary increase, and will be meeting on May 11 to discuss the impasse.

Source: The Citizen - April 21, 2009; Sowetan - May 4, 2009

#### Public servants call for a better pay

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¶7. One of the first tasks of the Zuma government will be to

enter into wage negotiations with the South African Civil Service. Unions representing the public service have upped their calls for salary increases, affordable medical insurance, and housing subsidies. The Independent Labor Caucus (ILC), representing South Africa's public sector unions, plans to begin wage negotiations with the government shortly. Unions expressed concern that most of South Africa's one million public servants earn between 3500 and 6200 Rand per month (approx \$416 to \$773).

The ILC emphasized that it was 'sensitive to the global economic situation and is deeply concerned about the scale of job losses locally and internationally,' but said 'it remains our duty, as custodians of our members' rights and interests, to ensure that their employer meets at least the most basic of its responsibilities towards its employees.' ILC officials reminded the media that a 2007 strike by its members had lasted over one month.

Source: Business Day - April 15, 2009

#### Mineworkers demand a 15% pay increase

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18. The National Union of Mineworkers (NUM) submitted its 2009 wage demands to the Chamber of Mines. NUM members made clear that they expect 'nothing more and nothing less' than a 15% non-negotiable wage increase. NUM said that their proposal can easily be supported despite the global financial crisis. NUM believes that South Africa's 'huge' infrastructure development program has kept the demand for coal strong. They also said that gold and other commodities remain a safe haven for international investors. Other NUM demands include that medical aid be given to employees; that the minimum basic rate for entry level work be set at 5000 Rand Per Month (approx \$595); and that a homeowners allowance received by miners be adjusted to the greater of 1500 Rand per month (approx \$175) or 25% of the monthly mortgage repayment. NUM General Secretary Frans Baleni stated that 'the mandate is clear and our members say they expect no excuses from the industry.'

Source: Frans Baleni, Num General Secretary and Lesiba Seshoka, NUM National Spokesman - April 20, 2009 Press Release

#### NUM threatens to strike over the liquidation of Pamodzi Gold

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19. The National Union of Mineworkers (NUM) is preparing for a national strike over the liquidation of Pamodzi Gold with full organizational support from COSATU. COSATU is angry that they were not consulted about liquidation plans and potential buyers for Pamodzi's troubled (bankrupt) Orkney mine. COSATU emphasized that 'the liquidation of Pamodzi Gold will have a negative impact on unemployment rates and poverty levels' and is angry over plans to trim Pamodzi's labor force and/or use potential contract labor. Labor broker JIC Mining Services was appointed by creditors to manage Orkney until the mine can be packaged for resale. NUM believes that JIC might try to run the mine on a permanent basis with contract labor and has said that any mine operator must negotiate directly with the union on employment levels and conditions of employment.

Source: Business Report - April 22, 2009; Mining MX - April 23, 2009

#### COSATU says govt should act in addressing job losses

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10. COSATU upped its criticism of the South African Government 'for not acting urgently enough to implement the plans decided on to stem the tide of job losses resulting from the global financial meltdown.' Business, labor, and the government drew up a framework for South Africa's response to global economic crisis in March. However, COSATU said the plan was not working given daily retrenchments and loss of benefits, particularly in the export-oriented automotive, clothing and textile industries. COSATU appealed to the government to review tariff reductions

that have had a negative effect on industrial development and job creation. The union federation further said that South Africa should resist calls to reduce tariffs that may compromise the protection and competitiveness of the country's industries and creation of jobs.

Source: Patrick Craven, Cosatu Spokesperson - April 15, 2009;  
Business Day - April 16, 2009

#### Recession hampers skills training

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¶11. Deputy Policy Head of the South African Presidency Allan Hirsch stated that the global economic recession had hampered the development of skills in South Africa as companies often slashed training budgets to guard against job losses. Presenting the annual reports of the Joint Initiative for Priority Skills Acquisition (JIPSA) and the Accelerated and Share Growth Initiative for South Africa (AsgiSA), Hirsch told the cabinet that 'when the economy recovers, companies will once again be unable to recruit suitably skilled people, unless we continue the momentum of JIPSA and AgsiSA.' AgsiSA, a Mbeki-era program, had set an ambitious target of halving unemployment from 28% in 2004 to 14% or lower by 2014 and halving the poverty rate in the same period. Hirsch stated that the targets were impossible given the global economic slowdown. JIPSA skills development programs would continue in the Zuma administration under the umbrella of a new body, the Human Resource Development Strategy (HRDS), with further details to soon be announced.  
Source: Business Day - April 17, 2009

#### Aviation faces critical skills shortage

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¶12. Civil Aviation Authority (CAA) Chief Executive Officer Colin Jordaan said that the poor global economy had not helped to resolve South Africa's dire shortage of aircraft technicians, air traffic controllers, and aviation safety inspectors. Due to global shortages, many highly skilled South Africans were easily lured overseas by lucrative job offers at an 'alarming' rate. Coupled with the emigration of skilled professionals, the number of young South Africans entering the aviation industry could not meet local demand. The CAA believed the most pressing demand was for technicians and Jordaan noted that 'if we don't start attracting and training youngsters as technicians we will have a critical shortage in two to three years. To avoid that we need to train 200 to 300 technicians a year.' He said the CAA was investigating ways to develop and retain skills in the industry.  
Source: Business Day - April 16, 2009

#### Metro Bus Strike continues

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¶13. The South African Municipal Workers Union (SAMWU) has vowed to intensify an ongoing 14 day strike of Johannesburg's limited public bus service unless demands are met. No agreement has been reached between the union and management and the matter has been referred to the bargaining council. 500 drivers and 300 support staff accuse senior management of neglect and corruption. The last SAMWU metro bus strike lasted two months and occasionally turned violent.  
Source: Sowetan - May 4, 2009

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